

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 5/19/2015	(3) CONTACT/PHONE Kerry Bailey 788-2979	
(4) SUBJECT Submittal of a Sheriff-Coroner's Office Inmate Cash Deposit and Inmate Welfare Funds Compliance Audit conducted on February 9, 2015. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file the attached San Luis Obispo County Sheriff-Coroner's Office Inmate Cash Deposit and Inmate Welfare Funds Compliance Audit Report which contains three suggested improvements.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>5-7-2013</u>	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb, CPA, Auditor - Controller - Treasurer - Tax Collector

DATE: 5/19/2015

SUBJECT: Submittal of a Sheriff-Coroner's Office Inmate Cash Deposit and Inmate Welfare Funds Compliance Audit conducted on February 9, 2015 (All Districts).

RECOMMENDATION

It is recommended that the Board receive, review, and file the attached San Luis Obispo County Sheriff-Coroner's Office Inmate Cash Deposit and Inmate Welfare Funds Compliance Audit Report which contains three suggested improvements.

DISCUSSION

The Inmate Cash Deposit Trust Fund is managed by the Sheriff-Coroner's Office and represents cash held on behalf of inmates while they are incarcerated at the San Luis Obispo County Jail. Once deposited, inmates can use the funds to purchase commissary items, post bail, and to pay court ordered fines and fees.

The Inmate Welfare Trust Fund is authorized by California Penal Code 4025 to be used primarily for the benefit, education, and welfare of the inmates confined within the jail, as well as for the salary and benefits of personnel used in programs deemed appropriate. However, funds may not be used to pay required County expenses of confining inmates in a local detention system. Revenue for the fund is earned from sales of commissary items to the inmates and proceeds from telephone charges.

The objectives of the audit were:

- 1) To determine if the Sheriff-Coroner's Office had accountability for the funds' cash, if deposits were timely and intact, if the office was in compliance with the Auditor-Controller's Cash Handling Policy; and if internal controls were adequate.
- 2) To determine the accuracy of the Inmate Welfare Fund (IWF) Statement of Operations and to determine if transactions supporting the amounts reported in the Statement of Operations were appropriately recorded and authorized.

Cash funds and cash receipts on hand were \$10.20 out of balance at the time of our count. Internal controls over the Inmate Cash and Welfare funds were generally adequate, and applicable policies, procedures, and codes were generally being followed. However, we found internal control weaknesses regarding the timeliness of bank reconciliations and cash handler acknowledgement of the County Cash Handling Policy. The IWF Statement of Operations was accurate in all material respects.

Our suggested improvements are documented in the attached report to the Sheriff-Coroner along with the office's corrective actions.

OTHER AGENCY INVOLVEMENT/IMPACT

Sheriff-Coroner

FINANCIAL CONSIDERATIONS

As of April 21, 2015, the Inmate Cash Deposit Trust fund had a cash balance of \$31,267 and the Inmate Welfare Trust Fund had a cash balance of \$316,752.

RESULTS

Compliance reviews of the Inmate Cash Deposit and Inmate Welfare Trust Funds are one of the tools used to monitor oversight of fiduciary funds. Monitoring activities help maintain reporting accountability and fiduciary responsibility and contribute to the County's vision of a well governed community.

ATTACHMENTS

1. Inmate Cash Deposit and Inmate Welfare Funds Compliance Audit